

**Amendments to the Claims:**

This listing of claims will replace all prior versions and listings of claims in the application.

**Listing of Claims:**

Claim 1        (Currently Amended)

1.        A method for providing incentive to at least one participant, such method for each participant comprising:

- (a) creating a hierarchy of participant performance levels defined by a program sponsor, including a minimum threshold level of performance and at least one successive performance level above the minimum threshold level of performance, each successive performance level defining a higher degree of achievement than the prior performance levels in such hierarchy;
- (b) associating at least one reward to the participant with achievement of each specific level of performance, such that the participant's reward for achieving each performance level above the minimum threshold level is of greater value than the reward associated with the participant achieving any of the prior performance levels;
- (c) requiring the participant to select a specific level of performance to be achieved by the participant from the hierarchy of sponsor-defined levels of performance;
- (d) storing determining actual performance data of the participant;
- (e) comparing the actual performance data of the participant to the selected performance level criteria, and generating a result indicating whether the participant achieved the participant's selected level of performance; and
- (f) granting to the participant the reward associated with the participant's selected level of performance only if the participant achieved at least the participant-selected level of performance.

Claims 2-5 (Canceled)

Claim 6 (Previously Presented)

6. The method of claim 1, wherein the participant only receives the reward associated with the selected level of performance even if the participant achieves a higher level of performance than the selected level of performance.

Claims 7-23 (Canceled)

Claim 24 (Previously Presented)

24. The method of claim 1, further comprising:

(g) modifying the sponsor-defined levels of performance using the actual performance data of the participant.

Claims 25-40 (Canceled)

Claim 41. (New)

41. The method of claim 24, wherein the sponsor-defined levels of performance are heuristically modified based upon the historic performance data of the participant to enhance the effect of the incentive on the participant.

Claim 42. (New)

42. The method of claim 41, wherein the minimum performance level required to achieve a particular reward is increased.

Claim 43. (New)

43. The method of claim 1, wherein the actual performance data of the participant is quantitatively compared against the selected performance level criteria to determine whether the participant achieved the participant's selected level of performance.

Claim 44. (New)

44. The method of claim 1, wherein the actual performance data of the participant is qualitatively compared against the selected performance level criteria to determine whether the participant achieved the participant's selected level of performance.

Claim 45. (New)

45. The method of claim 1, wherein the actual performance data of the participant is tallied into a point total which is used to determine whether the participant achieved the participant's selected level of performance.

Claim 46. (New)

46. The method of claim 1, wherein the participant is an individual.

Claim 47. (New)

47. The method of claim 1, wherein the participant is a performance group of associated individuals.

Claim 48 (New)

48. The method of claim 1, wherein the participant is a consumer.

Claim 49. (New)

49. The method of claim 1, wherein the participant is an employee.

Claim 50. (New)

50. The method of claim 1, wherein the participant is a secondary sponsor.

Claim 51. (New)

51. The method of claim 1, wherein the participant performance level is a measure of sales by the participant.

Claim 52. (New)

52. The method of claim 1, wherein the participant performance level is a measure of safety compliance by the participant.

Claim 53. (New)

53. The method of claim 1, wherein the participant performance level is a measure of customer satisfaction with respect to the participant.

Claim 54. (New)

54. The method of claim 1, wherein the participant performance level is a measure of efficiency of the participant.

Claim 55. (New)

55. The method of claim 1, wherein the reward is selected from the group consisting of a written communication, verbal congratulation, numismatic funds, merchandise, certificate, and tier promotion.

Claim 56. (New)

56. The method of claim 1, wherein the reward is granted to the participant at the time that the participant is identified as qualifying for the reward.

Claim 57. (New)

57. The method of claim 1, wherein the reward is granted to the participant no earlier than a specific date.

Claim 58. (New)

58. The method of claim 1, wherein the selected participant level of performance requires the participant to achieve the required performance level more than once in order to qualify for the reward.